

**Fiscal Year (FY) 2006
WIC Electronic Benefits Transfer (EBT)
Pilot Project Cooperative Agreements
Request for Cost Amendments**

**Cooperative Agreement Cost Amendment Requests
due to FNS by April 17, 2006 at 5:00 PM ET**

Note: This cooperative agreement competition is open only to WIC State agencies operating existing WIC EBT pilot projects under Cooperative Agreements with the Food and Nutrition Service.

The Catalog of Federal Domestic Assistance (CFDA) Number is 10.578.

Table of Contents

Eligibility for Cost Amendments	3
Amount of Funds Available	3
Funding Priorities and Use of Funds	3
Application Information	4
Submission Instructions	6
Award Process	7
Use of Funds – Terms and Conditions	8
Post-Award Activities	9
Attachments	10

Fiscal Year (FY) 2006
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In accordance with Public Law 109-97, the Food and Nutrition Service (FNS) plans to award cooperative agreements to WIC State agencies currently operating WIC Electronic Benefits Transfer (EBT) pilot projects to support the continued development, implementation, and evaluation of EBT solutions. FNS has adopted a long-term strategy to migrate from a paper-based food benefit delivery system to EBT through support of State pilot projects to identify national model(s) that are technically and financially viable. Current State EBT projects are at various stages of development and implementation. Through support to these ongoing projects, FNS seeks to obtain information about the cost effectiveness and efficiencies of systems that may serve as national model(s). FNS remains technology neutral and supports the testing of both off-line smart card and on-line EBT solutions through State pilot projects.

Eligibility for Cost Amendments

The FY 2006 Request for Cost Amendments is open to State agencies that are currently operating a WIC EBT pilot project: Michigan, Nevada, New Mexico, and Texas. FNS will not consider funding requests under this announcement from State agencies that have previously received FNS support for EBT projects and have expanded statewide or ceased operating an EBT pilot.

Amount of Funds Available

FNS anticipates awarding approximately \$3 million in cooperative agreements to support the funding needs of existing WIC EBT pilot projects for FY 2006. The amount of funds awarded will depend on competing funding needs within the WIC Program and the merits of the cooperative agreement requests received.

Funding Priorities and Use of Funds

FNS recognizes that State agencies may require additional financial support throughout the course of their EBT pilot projects and will make available FY 2006 funds to support the immediate, short-term funding needs of existing pilots. EBT funds are intended for up-front capital investments and should be used to design, develop, and implement EBT systems. Funds may be requested for costs expected to occur between July 1, 2006 and December 31, 2007. Those requests presenting the most immediate need will receive highest priority for funding, including funds necessary for the ongoing development and operation of pilot projects. FNS will consider funding requests for

retailer compensation for equipment costs in geographic areas beyond the original pilot site, but these requests will receive lower priority for funding.

FNS expects that once a State's EBT system is fully operational, the ongoing operational costs will be covered by the State's nutrition services and administration (NSA) grant funds. Should this prove not possible, contingencies should be planned, including moving to scaled-down operations that are affordable within the NSA grant funds or returning to paper operations. EBT cooperative agreement funds may be used to cover the costs associated with returning to a paper-based benefits delivery system.

Application Information

State agencies requesting cost amendments should provide FNS with an Advance Planning Document Update (APDU) or revised/updated cooperative agreement proposal. The application package must include a detailed description of proposed modifications to the existing EBT cooperative agreement. This request should be based on immediate need to support current operations, reflecting costs expected to occur between July 1, 2006 and December 31, 2007. The application should be prepared following the guidelines and the instructions below. Each application must have the following elements in the order indicated:

1. General - State Agencies should submit an original and two copies of each application document. One copy must be ready for copying, that is single-sided, unstapled, unbound, on 8 ½" x 11" paper, and single spaced. The number of pages for the entire Application should be no more than 25 pages, including appendices, with narrative in a font size no smaller than 12 point.
2. Application Assembly
 - ✓ **Application for Federal Assistance (SF-424)**
 - ✓ **Table of Contents** – To assist the panel reviewers in locating information with ease, each application must contain a table of contents. The Table of Contents should contain page numbers for each component of the application. Page numbering should begin with the Application Summary.
 - ✓ **Application Summary** – A complete summary of the activities to be undertaken should be provided. It should focus on overall program goals and objectives, project plans and relevance to the ongoing project goals.
 - ✓ **Project Description** – Address the following:
 - **Narrative** - Explain how funds will be used, how the proposed use relates to the overall project and furthers FNS goals of developing cost effective national models, and why the additional funds are needed at this time.

- **Detailed Timeline** - A detailed timeline with milestones, clearly defined goals and objectives, and go/no-go decision points. Decision points must include the criteria to be used to make the go/no-go decision. Plans to revert to a paper benefit issuance process at a critical decision point must be accompanied by a timeline.
- **Evaluation Plan** - The evaluation of these projects is critical to providing information that can be used by FNS in developing models and for other States considering EBT projects. Proposals must discuss plans for evaluating the project, including project costs and the viability of sustaining statewide EBT operations within the State's NSA grant.

FNS has developed a national model EBT project evaluation tool (A copy of the FNS evaluation model tool can be obtained by contacting Sandy Clark at (703) 605-0797 or by email at sandy.clark@fns.usda.gov).

FNS strongly encourages grantees to incorporate this evaluation model into their proposed projects. If a State chooses to use an alternative evaluation design, the proposal must describe the evaluation methodology to be used including the key variables and outcome measures that will be assessed. At a minimum, FNS expects this plan to incorporate the key elements of the FNS-developed design to allow for consistent evaluation results across projects.

- **Updated Annual Budget** - An updated annual budget including detailed cost estimates by line item and a cost allocation plan, if applicable, through the duration of the proposed project. The application should address the use of cooperative agreement funds received in prior years and remaining balances.
- **Budget Information** - Standard Form (SF) 424A and B.
- **Budget Narrative** - All budget categories must be individually listed (with costs) in the same order as the budget (SF-424) and justified on a separate sheet of paper and placed immediately behind the SF-424 Budget Information form. The narrative should include the basis for budget estimates including key assumptions, sources of information and supporting detail.
- **Indirect costs** – If the applicant is using a rate agreement negotiated by a cognizant Federal agency, a copy of the most recent negotiated

indirect cost rate agreement needs to be included with the application. The percentage amount and base should be indicated in the budget narrative.

- **Cost Sharing** – While the WIC EBT program does not have a cost sharing requirement, the sources and amounts of all support (if any) should be summarized on the SF-424 and in the budget narrative.
- **Certification Regarding Lobbying** – SF-LLL, Disclosure of Lobbying Activities.

Submission Instructions - The completed application package must be received by FNS Headquarters at the address listed below on or before 5:00 PM Eastern Time (ET) on April 17, 2006.

1. **Electronic Application Submission** – Applications may be submitted electronically by accessing www.grants.gov. This is a government website designed for electronic submission of applications/proposals. Please allow ample time to familiarize yourself with the system's requirements. You will need both a Data Universal Number (DUNS) and a Contract Registry Number (CCR) to access the system. You may contact Dun and Bradstreet at 1-800-234-3867 to obtain a DUNS number if you do not have one already.

All applicants submitting their application/proposal via www.grants.gov must send an email to veronica.ferrell@fns.usda.gov, advising that the application was submitted through the grants.gov portal. This email must be received no later than 5:00 PM ET on the application due date. Also, the grants.gov system provides several confirmation notices when an application is submitted through the portal. Please be sure that you receive a confirmation notice which acknowledges that your application was accepted by the system.

2. **Mail or hand delivery of the grant application.** Submit one original and two copies of the application to the address below by the deadline. If you opt to mail your application, we strongly suggest using a mail delivery service which guarantees delivery and allows you to track delivery to FNS.

FNS will not accept faxed or emailed applications.

Late applications will not be considered.

Additions or revisions to applications will not be considered once the applications are received by FNS.

MAILING ADDRESS: If you are submitting your application by mail, it should be sent to:

**Veronica Ferrell, Grant Officer
Food and Nutrition Service
Grants Management Division
3101 Park Center Drive, Room 738
Alexandria, VA 22302-1594**

DEADLINE: Applications are due on or before **April 17, 2006** at 5:00 PM Eastern Time (ET).

Award Process

- A panel of FNS staff will review applications and make recommendations for funding to the FNS selecting officials. The final decision to award cooperative agreements for FY 2006 is at the discretion of USDA selecting officials. Selecting officials will consider the panel rankings and comments, recommendations from FNS regional office staff, and other pertinent information before deciding which proposals to fund. FNS selecting officials reserve the right to fund proposals out of rank order based on written assessments made by evaluation panel members, information provided by regional office staff, and agency priorities.
- FNS Headquarters will provide final approval of the EBT funding awards. The Supplemental Food Programs Division (SFPD) will notify State agencies of the selection decision and will announce the selected projects to the Regional Offices (ROs) once award recommendations have been made and cleared within the U.S. Department of Agriculture.
- An amendment to the existing Cooperative Agreement will be awarded to the selected State applicant(s). A Cooperative Agreement is used rather than a grant agreement, which is typically used for general infrastructure funding, because the EBT projects require substantial coordination between FNS and the State agency for the following reasons: (1) FNS has a strong interest in the outcomes of the activities carried out through this funding to identify functional national models; and (2) it is difficult to predict and plan schedules, budgets, and outcomes since WIC EBT technology and implementation is limited in its scope and continues to evolve.
- States that are not selected will be offered a debriefing via the telephone after official notifications have been sent.

Use of Funds – Terms and Conditions

- Terms and conditions of the WIC EBT Cooperative Agreements will be subject to 7 CFR 3015/3016/3017/3018/3019/3021/3052. (A copy of these regulations may be obtained at <http://www.gpoaccess.gov/cfr/index.html>.) Applicants must agree to comply with the USDA regulations above (which codify Office of Management and Budget (OMB) circulars) listed below.

- 7 CFR Part 3015: “Uniform Federal Assistance Regulations;”
- 7 CFR Part 3016: “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments” (Reference OMB Circular A-102 Common Rule);
- 7 CFR Part 3017: Subparts A-E, “Government-wide Debarment and Suspension (Non-procurement);”
- 7 CFR Part 3017: Subpart F, “Government-wide Requirements for Drug-free Workplace (Grants);” and,
- 7 CFR Part 3018: “New Restrictions on Lobbying.”
- 7 CFR Part 3019: OMB Circular A-110, Uniform Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations
- 7 CFR Part 3021: “Government Requirements for a Drug-free Workplace.”
- 7 CFR Part 3052: OMB Circular A-133, Audits of States, Local Governments and Non-profit Organizations

- The EBT Cooperative Agreements will be funded no later than September 29, 2006. End dates will be determined based on individual proposals and approved timelines, but no later than December 31, 2007.
- The cooperative agreement period will be specified on the FNS-529, the Grant/Cooperative Agreement signature page. Cooperative agreement funding must be obligated within the project period. All activities under the program must take place within the period of agreement. Cooperative agreement funding must be drawn from the letter of credit account within 90 days following the agreement expiration date.
- By July 15th of the second Federal fiscal year of the Cooperative Agreement, FNS will assess the progress of State Grantee(s) and determine whether there is a need to recover and redistribute unspent cooperative agreement funds from projects that are not progressing as planned.
- FNS reserves the right to cancel the Cooperative Agreement at any time if it is determined that the funding goals will not be met. Examples include insufficient progress under the project or failure to meet the conditions of the Cooperative Agreement.
- The Grantee must submit quarterly progress reports, and quarterly/annual financial reports within 30 days after the end of each quarter during the cooperative agreement period. Cumulative Cost Reports must be submitted to the FNS Regional Director

annually no later than January 31st until all costs are identified and reported. In addition, a SF-269A (Short Form) Financial Status Report must be completed and submitted within 30 days after the end of each fiscal quarter and 90 days after the end of each fiscal year of the reporting period. The final 269A is due no later than 90 days after the close of the Cooperative Agreement period. At the end of the project, each grantee must submit a final report on the project outcomes and evaluation results.

Post-Award Activities

The WIC EBT pilot project funding is intended to provide timely information about the use of WIC EBT technologies to guide FNS in developing national model(s). To meet this objective, these projects require a strong partnership between FNS and WIC State agencies. FNS national and regional office staff will work closely with State agencies awarded cooperative agreements to ensure that the project design is consistent with national goals, objectives, and standards. FNS expects that State agencies awarded EBT funds will participate in activities to disseminate and share information about their EBT systems and experiences including:

- Developing system design and requirement documentation (to enable the sharing and transfer of information and models with other State agencies);
- Sharing information about EBT experiences with FNS and other State agencies;
- Collecting consistent cost and transaction data for design and cost evaluations; and
- Evaluating the project and disseminating results.

Attachments

- ✓ **SF-424** (Attachment 1)

<http://www.whitehouse.gov/omb/grants/sf424.pdf>

- ✓ **SF-424A and SF-424B** (Attachments 2 and 3)

<http://www.whitehouse.gov/omb/grants/sf424a.pdf>

<http://www.whitehouse.gov/omb/grants/sf424b.pdf>

- ✓ **Certification Regarding Lobbying** (Attachment 4)

<http://www.whitehouse.gov/omb/grants/sfillin.pdf>